GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:256
ANSWERED ON:01.03.2002
TECHNOLOGY UPGRADATION FUND
RAM SHAKAL

Will the Minister of TEXTILES be pleased to state:

(a) whether the Government have reviewed the implementation of Technology Upgradation Fund scheme for textile and jute industry;

(b) if so, the details thereof;

(c) the State-wise details of the number of applications received for loans as on date alongwith the funds disbursed so far and details of selection procedure for this purpose;

(d) whether the Government have received any request for relaxation of standards for expansion of this scheme especially with regard to sick and closed textile mills; and

(e) if so, the Government`s reaction thereto?

Answer

(a) & (b) : For monitoring and review the Technology Upgradation Fund Scheme, an Inter-Ministerial Steering Committee (IMSC) under the Chairmanship of the Secretary (Textiles) has been constituted, which meets on a quarterly basis.A Technical Advisory and Monitoring Committee (TAMC) under the chairmanship of the Textile Commissioner has also been constituted to interpret, or clarify any technical issues raised by any of the nodal agencies regarding the eligibility of any unit or machinery under the scheme. This Committee generally meets on monthly basis.

(c) The State-wise details of the number of applications received under TUFS w.e.f. 1-4-1999 to 31-12-2001 and the loans disbursed is as follows :

State / U.T.	No. of applications received	No. of applications Sanctioned	No. of applications disbursed	Amount Disbursed (Rs. in Crore)
Andhra Pradesh	36	28	22	146.17
Chandigarh	2	2	1	1.85
Dadra Nagar Haveli	19	15	14	193.44
Daman & Diu	5	5	5	5.03
Delhi	23	20	15	12.49
Gujarat	244	209	168	380.57
Haryana	98	84	53	64.81
Himachal Pradesh	7	6	6	163.80
Karnataka	62	53	41	131.43
Kerala	3	2	1	16.98
Maharashtra	69	51	40	305.11
Madhya Pradesh	11	11	9	121.09
Punjab	184	165	119	539.97
Rajasthan	167	115	97	263.83
Tamilnadu	422	364	269	671.47
Uttar Pradesh	30	24	20	131.41
West Bengal	20	17	12	17.13

Any textile unit, which is eligible as per the normal lending norms of the concerned financial institutions and fulfils the

benchmark criteria of the scheme, can avail of funds under the scheme. The unit has to apply to the concerned Nodal Agency or the financial institutions co-opted by the respective Nodal Agency.

(d) & (e) : The Government has already conveyed its decision to Financial institutions and bank to relax financial norms as follows :

i) SIDBI has stipulated the promoters` contribution at 20% as against 33.1/3% in other cases.IDBI agreed to relax it even upto 17.5% in extremely deserving cases.

ii) IDBI has agreed for a flexible approach with regard to debt equity ratio to provide for a D/E ratio of 1.5:1 with relaxation in deserving cases;

The Financial Institutions and banks have also been advised to consider relaxation of norms relating to cash profit, promoters` margin etc. in case of weak but potentially viable units.